

ACCOUNTING AND PURCHASING POLICIES AND PROCEDURES

REVENUES

Chart of Accounts Description

| Acct. # | Description | Account Definition |
|------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transport | | |
| 400000 | Special Access | Revenue derived from the sale of transport services to an InterExchange Carrier (IXC). The services can be a combination of On-Net and Off-Net. The path will be End User to IXC POP, IXC POP to IXC POP or LEC End Office to IXC POP. The IXC is billed for the service. The service can carry IntraState/InterState traffic. |
| 400001 | Customer Provided Spec Access | Revenue derived from the sale of transport services to an End User. The End User has chosen to purchase their own access to the Inter Exchange Carrier (IXC). The services can be a combination of On-Net and Off-Net. The path must be End User to IXC POP. The End User is billed for the service. The service can carry both IntraState/InterState traffic. |
| 400002 | Private Line Revenue | Private Line revenue is derived from the sale of point-to-point dedicated services to an End User location(s). Private Line service does not provide the End User with access to an IXC POP or the public network. PNT is a dedicated service between multiple END USER locations. PNT End Users can also connect TWTC transport services to a network node of their Private Network. |
| 400003 | Fiber Lease Revenue | Income generated from the lease of fiber, distribution plant and related equipment to an affiliated non-consolidated company. |
| 400004 | Service Maintenance Agreements | Revenue derived from service maintenance agreements on equipment in customer building. |
| 400005 | LAN Services Revenue | LAN services including transparent LAN and native LAN. |
| 400006 | Data Services Revenue | Revenue derived from the sale of point-to-point dedicated transport services used to carry data products e.g. COWAN Services excluding LAN product. |
| 400007 | Video Services Revenue | Revenue from the re-broadcast of sporting events and other video programming. |
| 400008 | Storage Transport | Revenue derived from the sale of point-to-point dedicated transport services between an end-user and a storage facility. |
| 400009 | Dedicated L D Transport | Not in use. |
| 400010 | Other Data Revenue | Miscellaneous data revenue from items such as charges for expedited orders etc. |

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| 400011 | Wholesale Native LAN | The Wholesale Native LAN suite of products are essentially the same as those offered to end users; however they are going to be billed via the Carrier platform, and are considered interstate revenue as the connections are between an end user location and the Carrier POP. |
| 400012 | Interstate Extended NLAN | Long Haul Native LAN product. |
| 400013 | Intrastate Extended NLAN | Long Haul Native LAN product. |
| 400015 | Data & Internet ETL | Termination liability revenue. |
| 400016 | Wholesale NLAN | This is our current NLAN product sold to wholesale carrier customers with different price points. |
| 400100 | USF Revenue – Transport | USF collections from transport customers only. |
| 400101 | Excise & Special – Transport | Revenues for Excise & Special Taxes charged for Transport services. |
| 400105 | Transport ETL | Termination liability revenue. |
| 400999 | Other Transport Revenue | Miscellaneous transport revenue from items such as charges for expedited orders, etc. |
| VoIP Services | | |
| 410030 | IP F/X Usage | |
| 410031 | IP F/X Monthly Elements | |
| 410032 | IP F/X Facilities | |
| Switched Services | | |
| 420001 | Analog Lines/Trunks | Revenue associated with analog lines and trunks. The revenue is being identified separately from BES for new customers and new markets. |
| 420002 | ISDN-PRI Standard 2-Way | Revenue associated with the 2-way ISDN PRI Standard product. The circuit is associated with Telephone Numbers and runs between the customer's premise equipment (CPE) to the Company's central office switch using a Primary Rate Interface over a digital transport facility. |
| 420003 | ISDN-PRI Inbound | Revenue associated primarily with the 1 way (inbound only) ISDN PRI products. The circuit is associated with Telephone Numbers and runs between the customer's premise equipment (CPE) to the Company's central office switch using a Primary Rate Interface. (ISDN PRI IMPS, ISDN PRI Data, and ISDN PRI Select). |
| 420004 | Digital Trunks | Revenue associated with the Digital Trunk product including the digital facility, digital inward trunks, digital outward trunks, and digital two-way trunks. |

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| 420005 | Centrex | Revenue associated with Centrex products and features. |
| 420006 | Expanded Area Service | Revenue associated with the surcharge for optional Extended Area Service (EAS) products and/or the EAS Usage charges for measured or message calling to the EAS are (calling area beyond the Local Calling Area). |
| 420007 | Directory Listing Services | Includes revenue associated with services identified as Listing related. Includes (but not limited to) Main Standard Listing, Additional Standard Listing, Non-Published Listing, Non-Listed Listing, Alternate TN/Night Listing, Cross Reference Listing, Duplicate Listing, Intended Listing. |
| 420008 | Special Switched Services | Revenue associated with the Local exchange portion of Special Switched Services (foreign exchange products). Includes Business Expansion Service (BES), Expanded Exchange Service (EES), Intercity Switched Service (ISS). Revenues associated with the long haul transport portion of ISS are categorized in Long Haul or Private Line. |
| 420009 | Integrated Services | Revenue associated with the voice portion of Integrated Switched Services products including IBL, VersiPak and associated voice features. See GL acct 440000 for Internet portion of service. See GL acct 430000 for LD portion. |
| 420011 | Telephone Numbers | Revenue associated with providing customers with phone numbers, whether they are DID related, individual telephone numbers, or customized telephone numbers. |
| 420013 | Blocking Services | Revenue associated with providing blocking services to customers including Toll Restriction, Bill Restriction, and Call Blocking. |
| 420014 | Switched Features | Revenue associated with switched services features e.g. Caller ID, Call Forwarding, associated with the business line, analog trunk, digital trunk and ISDN PRI products (non-IBL and VersiPak). |
| 420015 | Voice Mail | Revenue associated with Voice Mail products which include various combinations for Call Answering, Messaging, Greeting, Remainder and Retention. Product offerings include Basic, Enhanced, Deluxe mailboxes and Pager Notification. Does not include revenue associated with adjunct CLASS features e.g. call forward/busy/don't answer. |
| 420016 | IntraLATA Toll Usage | IntraLATA toll service is telephone communication between telephone stations in different local calling areas within a LATA. IntraLATA toll calling includes the following types of calls: direct dialed, calling card, collect, third number billed, special toll billing, requests to notify of time and charges, person-to-person calling and other station to station calls. Service is offered as two classes: station-to-station calling and person-to-person calling. Charges are based on the duration of the call. |
| 420017 | Subscriber Line Charge | Revenue related to the Federal Subscriber Line Charge applied to all switched services facilities including lines, analog trunks, digital trunks, and PRI products. |

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| 420019 | Operator Assistance Services | Revenue associated with the Operator Services surcharges for local/intraLATA calls: Person-to-Person, Third Number Billed, Collect, Operator-Dialed Calling Card, Customer-Dialed Calling Card, General Operator Assisted. Does not include the per minute/message revenue for the call. |
| 420020 | Directory Assistance Services | Revenue associated with Directory Assistance (DA) Services. DA Services provide customers with local, intraLATA toll and/or national listing information, including telephone names and numbers. DA is accessed by dialing 411, 1+411, 555-1212, 1+555-1212, or 1+ (home LATA area codes)+555-1212. DA Call Completion Service provides for completion of the call after the directory assistance operator provides the telephone number or other listing information. Charge application differs by city. National Directory Assistance provides identification of telephone directory numbers, via an operator or automated platform, of individuals or businesses who are located outside the customer's LATA Directory Assistance service area. |
| 420022 | Local Usage | Revenue associated with the Local Usage component of local exchange telephone service. Local Usage may be rated/charged either by minutes of use (measured) or by completed call count (message). |
| 420023 | IP Lines | |
| 420100 | USF Revenue – Switched | USF collections from switch customers only. |
| 420101 | Excise & Special – Switch | Revenues for Excise & Special Taxes charged for Switch services. |
| 420105 | Switched Services ETL | Termination liability revenue. |
| 420999 | Other Switched Service Revenue | All remaining switched service revenue that is not associated with any of the above revenue categories, such as expedited due date charges, add, move and change charges, and miscellaneous other charges. |
| Long Distance | | |
| 430000 | LD Inter State Usage | Direct dialed outbound 1+ Interstate calls (calls that cross state boundaries). This includes calls that are made from Honolulu customers to the mainland as well as classified as Interstate and not Offshore. |
| 430001 | LD International | Direct dialed outbound 1+ call that terminate to foreign countries. This includes calls generated to all international countries, including Mexico. |
| 430002 | LD DA & OS | Directory assistance charges are calculated on a per call basis for utilizing the service to obtain a directory listing. Operator service calls are calculated on a per minute basis including surcharges for utilizing the operator to place a call. |
| 430003 | LD Card (all usage) | Calling cards for all jurisdiction types. This includes all domestic and international calls originating from the calling card platform. |
| 430004 | LD 8XX (all usage) | Toll free inbound 1+ calls. This includes all calls initiated from an 8xx number. The 8xx combinations currently in use include 800, 855, 866, 877, and 888. |

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| 430005 | LD Dedicated LD Facility | Facilities utilized for long distance service only. This includes both the monthly recurring and non-recurring charges. |
| 430006 | LD Intercity Revenue | Switched LD services provided at least in part over the TWTC Intercity network. |
| 430007 | LD Packaged Minutes | Direct dialed outbound and Toll Free inbound calls for domestic usage. This includes both per minute usage, MRC charges and credits for the rating package. |
| 430008 | LD IntraLATA | Direct dialed outbound 1+ IntraLata calls (calls made within the same LATA). |
| 430009 | LD Intra State Usage | Direct dialed outbound 1+ Intrastate calls (calls made within the same state but outside of the same LATA). This includes calls that are made from Honolulu customers within the islands. |
| 430010 | LD Off Shore | Direct dialed outbound 1+ Interstate calls that terminate to either AK, HI (non Honolulu customers), PR and USVI. |
| 430011 | LD Canadian | Direct dialed outbound 1+ and Toll Free inbound calls made to or from Canada. Outbound calls are made from a TWTC customer to Canada and inbound calls are made from Canada to a TWTC 8XX number. |
| 430999 | Other LD Revenue | Other long distance charges. This includes monthly recurring and non-recurring charges unrelated to usage and facilities. Currently this represents charges such as 8xx listing, 8xx porting, and account codes. |
| Internet Products | | |
| 440000 | Internet Access | Revenue generated from Internet services unrelated to facilities. |
| 440001 | Internet Equipment | Revenue generated from sales of internet equipment unrelated to facilities. |
| 440002 | Internet Transport | Revenue generated from sales of Internet transport facilities used to carry Internet access traffic between an end-user location and TWTC POP. |
| 440004 | Virtual Private Networks | Revenue derived from the sale of Encrypted Virtual Private Network access and features provision between internet access points. |
| 440005 | Web Hosting | Revenue derived from the sale of Dedicated Web Hosting services |
| 440999 | Other Internet Revenue | Miscellaneous Internet revenue from items such as charges for expedited orders etc. |
| Whole Sales Services | | |
| 450000 | Whole Sales Services | Not in use. |

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| Switched Access Products | | |
| 460000 | Switched Access | Revenue is derived from the sale of access to an IXC for the purpose of providing a TWTC local service customer with long distance service, both IntraState and InterState. Revenue is for calls both originating and terminating on a TWTC Network. There are two types of Switched Access, Switch Tandem Transport (STT) and Direct Trunk Transport (DTT). STT is based on rate element charges (per minute of use) for Carrier Common Line, End Office, Local Transport and Residential Interconnection Change (RIC). DTT indicates the IXC has a direct connect to TWTC facilities and is charged a monthly recurring rate. Includes 800 origination at this time. |
| 460001 | 800 Origination | Not in use. Unable to break out on the billing system at this time |
| 460002 | Tandem Termination | Not in use. Unable to break out on the billing system at this time |
| 460003 | Tandem Origination | Not in use. Unable to break out on the billing system at this time |
| Mutual Compensation | | |
| 470000 | Mutual Compensation – Local | Revenue generated from charges paid by a LEC or other service provider for use of the TWTC network to terminate a call for local traffic. Mutual Compensation only applies to traffic carried on Local Exchange Networks. |
| 470001 | IntraLATA Revenue | Revenue generated from charges paid by a LEC or other service provider for use of the TWTC network to terminate a call for IntraLata traffic. Mutual Compensation only applies to traffic carried on Local Exchange Networks. |
| 470002 | Interconnection Trunking Revenue | Revenue generated from charges paid by a LEC or other service provider for use of the TWTC network to terminate a call for trunking (circuit portion). Mutual Compensation only applies to traffic carried on Local Exchange Networks. |
| 470100 | Non-Recurring Settlements | Revenue derived from settlements. |
| Other | | |
| 480000 | Billing and Collection | Revenue derived from the billing of services and/or rated traffic not generated by TWTC, but for TWTC customers. |
| 480001 | Colocation | Revenue is derived from the lease of TWTC real estate to a Local Exchange Carrier or other competitive company. |
| 480002 | Project Related Revenues | Not in use. |
| 480003 | Late Fees | Not in use. |
| 480004 | Termination Charges | Revenue generated from a customer disconnecting from the Company's transport, switched or other services before the end of contract. |
| 480999 | Other Revenue | Miscellaneous other revenue not detailed above, that cannot be identified as transport, BES, LD, switched access, or mutual compensation revenue. |

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| 490000 | Long Haul Revenue | Revenue derived from the sale of long haul services to InterExchange (IXC) carriers and End users. The services can be a combination of On-Net and Off-Net. |
| 490001 | Long Haul Colocation | Revenue generated from long haul colocation sites. |
| 490002 | Long Haul Interstate | |
| 490003 | Long Haul Intrastate | |

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